

Your VOTE counts!

On November 4th, voters will be asked to answer this question:

“Shall the City of Delano Water, Light, and Power Commission be abolished?”

What am I voting on, in plain English?

This vote will decide which governing body is accountable for the Delano Municipal Utilities (water and electric) - the City Council or the Delano Water, Light, and Power Commission.

With a vote of “YES”, the City Council will become accountable for the Utility.

With a vote of “NO”, the Delano Water, Light and Power Commission will continue to be accountable for the Utility, as they are today, and will remain a separate entity from the City of Delano.

What is the Delano Water, Light, and Power Commission?

Today, the Commission is a five-member, appointed governing body with full jurisdiction and control over the City-owned water and electric system in Delano. It currently operates as a separate governing body from the City, with a separate management team and separate staff. The City Council does not have any authority over the commission, except to appoint the Commissioners to individual 3-year terms, approve debt issuance, and purchasing property.

Today, the Commission makes all decisions on rates paid by the community for water and power usage. It also makes all decisions for providing water and power for current and future needs, sometimes as much as 30 years into the future with financial impacts well into the millions of dollars. It makes all employee hiring, termination and compensation decisions for the 14 utility positions. It makes all decisions regarding the power plan, equipment and infrastructure.

Why is this on the ballot?

In December 2013, the City and Commission hired Springsted Inc. to study more efficient and/or effective ways to provide services and utilities. Springsted worked with a subcommittee of City Council, Commission, and staff representatives for months and completed the study in August 2014.

One of the options suggested by the report, the one which requires a ballot question for approval, is eliminating the Commission as a separate entity and assigning the oversight of water and electric/power to the City Council. Minnesota State Statutes require that a change in the Commission’s status be determined by a majority of the voters.

The full study report is available at the City of Delano offices, on the City website (www.delano.mn.us), at the Delano Water, Light, and Power Commission offices, or on its website (www.dmumn.com).

Does a YES vote mean the electric Utility will be sold?

No.

Does a YES vote mean the employees of the electric Utility will lose their jobs?

No.

The General Election is
Tuesday, November 4, 2014

What are the pros and cons? Springsted Inc. produced the following “Pros” and “Cons” for the option of abolishing the Commission:

Pros:

- Enhance customer service by creating a single line of accountability through a one-stop shop for public work and public utilities services and possibly for finance services.
- Maximize the available resources to respond to an emergency or to just deal with the work that needs to be done by having one manager assigning staff to fill current needs.
- A merger will ensure that the vision, mission, goals, objectives and business plans of both entities are aligned.
- A merged entity will provide the opportunity to increase the redundancy and reliability in duties and responsibilities.
- Creates an economy of scale in terms of acquiring and use of equipment, supplies, technology, and professional services.
- A successful outcome will memorialize the relationship forever.
- Depending upon which structure is pursued the short term savings to combine the two entities could result in a reduction of two administrative personnel. The estimated savings will be a function of how the new combined entity is staffed and structured.
- There are possible more savings in the finance and operations area that could be realized with time and further study.
- The organizational foundations are closely aligned which should make a merger easier.
- There are no unions to negotiate or bargain with.
- The two entity scenario as identified in the report will no longer exist.
- Eliminates duplicative efforts in all aspects of operations from management to accounting to operations.

Cons

- A merger will require a strong organizational change process and commitment. The time and effort for a small community and small staff may take away work and commitments from other city and utility priorities.
- If the election is not successful and if the opposing sides become adversarial, what does that mean for your future relationships or opportunities that exist in Option 2?
- Conventional wisdom suggests that merging public agencies comes with up-front costs; the up-front costs have yet to be determined and need further consideration.
- You will have added costs for the election (if run during a general election that may be nominal), but none-the-less there will be miscellaneous staff time and expenses.
- Potential loss of citizen participation if Water, Light, and Power Commission is eliminated (assuming no other advisory commission is created.)
- Potential for more “political based” decision making especially as it relates to rates and charges.
- Need to reconcile compensation, seniority, and other personnel issues.
- Although purely a local decision, merging a City and Utility is not a common occurrence in Minnesota.



How are other communities with water and electric utilities organized?

In Minnesota cities that only have a water utility, the vast majority are operated by the City Council. According to Springsted, Inc.’s study:

“Some Minnesota communities, like Delano, are organized with two separate and independent statutory bodies that must co-exist and partner to provide valuable services.”

“While some communities chose to have a separate governing body over the utility, other communities chose to combine the utility under the umbrella of city government where policy decisions were made by the City Council.”

Examples with separate Commission governance over electric utilities (Identified by Springsted)

- * Detroit Lakes
- * Elk River
- * Marshall
- * Rochester
- * Sauk Center

Examples of cities with City Council operation of electric utilities (Identified by Springsted)

- * Buffalo
- * Chaska
- * Litchfield

If I have more questions about the ballot question, who should I ask?

You can submit your questions:

- By e-mail to vote@delano.mn.us
- By mail to City of Delano, PO Box 108, Delano, MN 55328
- By phone to the City of Delano, 763-972-0550, or
- By phone to Delano Municipal Utilities, 763-972-0557

Frequently asked questions will be answered and continually distributed to the public.